

September 8, 2020



Representative Eddie Lucio III
House of Representatives
P.O. Box 2910
Austin, TX 78768

Eli Lilly and Company

Lilly Corporate Center
Indianapolis, Indiana 46285
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www.lilly.com

Re: Request for Information HB 2536

Dear Representative Lucio:

Thank you for the opportunity to provide information on the Interim Charges and the topic of insulin access and affordability.

Lilly has used the strength of its scientific knowledge to help people with diabetes. Lilly was the first company to mass-produce insulin more than 95 years ago, and we've introduced several innovative improvements since. But, we also know innovative medicines are only helpful if patients can afford them. Knowing there are gaps in the U.S health care system, we at Lilly are focused on lowering out-of-pocket costs that people with diabetes pay for insulin. We have deployed a suite of affordability programs that are helping up to 20,000 people a month.

Lilly's affordability programs are designed so people in various circumstances can obtain the insulin they need, whether insured, uninsured, or on Medicare Part D. We have four programs available now—and one in the near future—that ensure people can obtain their insulin at an affordable cost.

Our most recent program, the **Lilly Insulin Value Program**, was created to further help people with diabetes in light of the dramatic financial impact from COVID-19. Under this program, anyone with commercial insurance, and people with no insurance at all, can obtain a monthly prescription of insulin for approximately \$35. People can access the co-pay card at the Lilly Diabetes Solution Center by dialing (833) 808-1234 (Monday through Friday, 8 am to 8 pm ET). People with an urgent need for insulin and nowhere else to turn can contact the Solution Center for an immediate supply.

Next year, Lilly is participating in the **Part D Senior Savings Model** beginning in January. With this program, when included in the plan formulary, Lilly's insulins will be available for approximately \$35 per 30-day supply to seniors in participating Medicare Part D insurance programs.

Lilly's three **non-branded insulins** are available at a list price 50 percent lower than their brand name alternative, and our **automatic discounts** at retail pharmacies for commercially insureds make access to affordable insulin simple—these discounts at participating pharmacies cap the cost of an entire month's prescription to about \$95. Additionally, **Lilly donates insulin** to relief agencies that distribute the supplies to nearly 200 free clinics across the U.S., as well as charitable organizations, to directly support lower-income people living with diabetes who qualify for free clinic services.

No one should have to ration insulin when managing their diabetes, which is why Lilly offers this suite of affordability programs designed to meet changing needs and to help people reduce out-of-pocket costs. Our programs are especially intended for those without insurance, seniors in Medicare

Part D, and people with high-deductible health plans. People who use Lilly insulin can learn more about these programs by calling the [Lilly Diabetes Solution Center](#) at (833) 808-1234. Please see Appendices A and B which provide additional detail on Lilly's insulin affordability programs in English and Spanish, respectively.

Our programs are helping. In 2019, the average out-of-pocket spend among people using our savings programs decreased more than 65%. As of June 2020, 95% of Humalog prescriptions at the retail pharmacy cost patients \$95 or less, and 43% cost nothing at all. From the first half of 2018 to June of 2020, the average patient out-of-pocket cost for Humalog at retail pharmacies decreased by 16% to \$32.97 per prescription.

Changes in the U.S. health care system, such as the increase in use of high-deductible health plans, are an ongoing challenge. While these plans prioritize lower premiums, they have shifted a greater burden of cost-sharing to consumers who need medicines – effectively causing the sick to subsidize the healthy.

The rebates and discounts we pay to pharmacy benefit managers, insurers, the government and other supply chain entities have continued to grow over the years, not just for insulin but for our entire U.S. portfolio. We need to restructure the financial incentives of the entire pharmaceutical supply chain to ensure that patients directly benefit from those rebates and discounts at the pharmacy counter.

[Lilly's 2019 Integrated Summary Report](#) provides more detail, including a “Comparison of Lilly List and Net Price Changes for U.S. Product Portfolio” (see Appendix C) and the “Average Lilly Net Price (As a % of List Price) After Discounts Across the U.S. Product Portfolio” (see Appendix D). And, you can read more at [Lilly.com/access](https://www.lilly.com/access).

Sincerely,

A handwritten signature in blue ink that reads "William S. Reid". The signature is fluid and cursive, with the first name "William" being the most prominent part.

William S. Reid
Senior Director, State Government Affairs
Eli Lilly and Company

Appendix A:

LILLY DELIVERS INSULIN AFFORDABILITY SOLUTIONS



Although the vast majority of people have affordable access to their Lilly insulin—in fact, 95% of prescriptions at the retail pharmacy are approximately \$95 or less a month for an entire prescription—there are still gaps in the U.S. health care system that leave some Americans struggling to afford their medication. No one should have to ration insulin when managing their diabetes, which is why Lilly offers a suite of affordability programs that are designed to help people reduce out-of-pocket expenses, especially those without insurance, seniors in Medicare Part D, and people with high-deductible health plans. People who use Lilly insulin can find out about these programs by calling the **Lilly Diabetes Solution Center**.

LILLY INSULIN VALUE PROGRAM¹

Covering most Lilly insulin formulations, the uninsured and anyone with commercial insurance can fill their monthly prescription for \$35. Individuals can contact the Lilly Diabetes Solution Center to inquire about eligibility and participation.

LILLY'S NON-BRANDED INSULINS²

Lilly currently offers three non-branded insulins with a list price 50 percent lower than their brand name alternative. These can be ordered by any pharmacist and are typically delivered in 1–2 business days.

AUTOMATIC DISCOUNT³

Lilly provides automatic discounts at the retail pharmacy for anyone with commercial insurance. These discounts cap the cost of an entire month's prescription at approximately \$95.⁴

DONATIONS AND IMMEDIATE NEED

Lilly donates insulin for distribution at free clinics and to charitable organizations for immediate insulin needs at no cost to qualifying patients with significant financial challenges.

PART D SENIOR SAVINGS MODEL

Beginning in January 2021, Lilly intends to include available formulations of Lilly's insulins for no more than \$35 for a 30-day supply to seniors in participating Medicare Part D insurance programs.

Up to 20,000 people were helped each month in 2019, and the average out-of-pocket spend among people using our savings programs decreased by more than 65 percent in 2019.

	Commercial Insurance	Uninsured	Medicare Part D
LILLY INSULIN VALUE PROGRAM	✓	✓	
NON-BRANDED INSULINS	✓	✓	✓
AUTOMATIC DISCOUNTS	✓		
PART D SENIOR SAVINGS MODEL			✓



**Lilly Diabetes
Solution
Center**

Most of Lilly's affordability solutions are accessible through the Lilly Diabetes Solution Center. People using Lilly insulins may contact the Lilly Diabetes Solution Center for a confidential conversation with a medical representative to determine eligibility and program access based on their individual circumstances.

1-833-808-1234

1. Terms, conditions, and limitations apply to the co-pay cards. Not available to those patients with government insurance such as Medicaid, Medicare, Medicare Part D, TRICARE/CHAMPUS, Medicaid, DSH, or any State Patient or Pharmaceutical Assistance Program.
2. A patient can work with their pharmacy to obtain Lilly's lower-priced insulin options. A patient should contact the Lilly Diabetes Solution Center if they are unable to get it through their pharmacy for any reason.
3. People without insurance are eligible but must contact the Lilly Diabetes Solution Center to participate.
4. Lilly offers savings programs designed to limit out-of-pocket costs for Lilly insulins. The vast majority of commercially insured and uninsured patients can expect the out-of-pocket cost for their prescription to be \$95 or less at the retail pharmacy. Pharmacy and uninsured patients must participate; government beneficiaries are excluded, and some limitations apply.

Appendix B:

SOLUCIONES DE ASEQUIBILIDAD DE INSULINA LILLY



Aunque la gran mayoría de las personas tienen acceso asequible a insulina Lilly (de hecho, el 95% de las recetas en farmacias minoristas cuestan \$95 o menos al mes por toda la receta), aún hay brechas en el sistema de salud de los Estados Unidos que afectan a algunos ciudadanos que no pueden costear sus medicamentos. Nadie debería tener que racionar la insulina al manejar su diabetes. Es por esto que Lilly ofrece una variedad de programas de asequibilidad diseñados para ayudar a las personas a reducir los gastos por cuenta propia, en especial a quienes no tienen seguro médico, a personas mayores con Medicare Parte D y a aquellas con planes de salud con deducible elevado. Para obtener información sobre estos planes, los usuarios de insulina Lilly pueden llamar a **Lilly Diabetes Solution Center**.

PROGRAMA DE ASISTENCIA PARA LA COMPRA DE INSULINA LILLY ¹

Cubre la mayoría de las fórmulas de insulina Lilly; las personas sin seguro médico o con seguro comercial pueden surtir su receta mensual por \$35. Las personas pueden comunicarse a Lilly Diabetes Solution Center para indagar sobre la elegibilidad y la participación.

INSULINAS SIN LA MARCA LILLY ²

Actualmente, Lilly ofrece tres insulinas sin marca a un precio de venta que es 50% más bajo que las alternativas de marca. Los pedidos se pueden hacer a través de un farmacéutico y suelen entregarse en 1 o 2 días hábiles.

DESCUENTO AUTOMÁTICO ³

Lilly aplica descuentos automáticos en farmacias minoristas para toda persona que tenga seguro comercial. Estos descuentos mantienen el costo de una receta para un mes entero a \$95 aproximadamente.⁴

DONACIONES Y NECESIDADES INMEDIATAS

Lilly dona insulina para distribuir gratuitamente en clínicas y organizaciones de caridad para atender las necesidades inmediatas de insulina sin costo para pacientes elegibles que enfrentan grandes dificultades financieras.

MODELO DE AHORROS PARA ADULTOS MAYORES DE MEDICARE PARTE D

A partir de enero de 2021, Lilly tiene planes de incluir las fórmulas de insulinas Lilly disponibles por no más de \$35 para un suministro de 30 días para personas mayores con programas participantes de seguro Medicare Parte D.

Hasta 20,000 personas recibieron ayuda mensual en 2019, y los gastos por cuenta propia promedio de las personas que usaron nuestros programas de ahorros se redujeron en más de un 65% en ese mismo año.

	Seguro Comercial	Sin Seguro Médico	Medicare Parte D
PROGRAMA DE ASISTENCIA PARA LA COMPRA DE INSULINA LILLY	✓	✓	
INSULINAS SIN MARCA	✓	✓	✓
DESCUENTOS AUTOMÁTICOS	✓		
MODELO DE AHORROS PARA ADULTOS MAYORES DE MEDICARE PARTE D			✓



**Lilly Diabetes
Solution
Center**

La mayoría de las soluciones de asequibilidad de Lilly están disponibles a través de Lilly Diabetes Solution Center. Los usuarios de insulina Lilly pueden llamar a Lilly Diabetes Solution Center y hablar confidencialmente con un representante médico para determinar la elegibilidad y el acceso a programas según sus circunstancias individuales.

1-833-808-1234

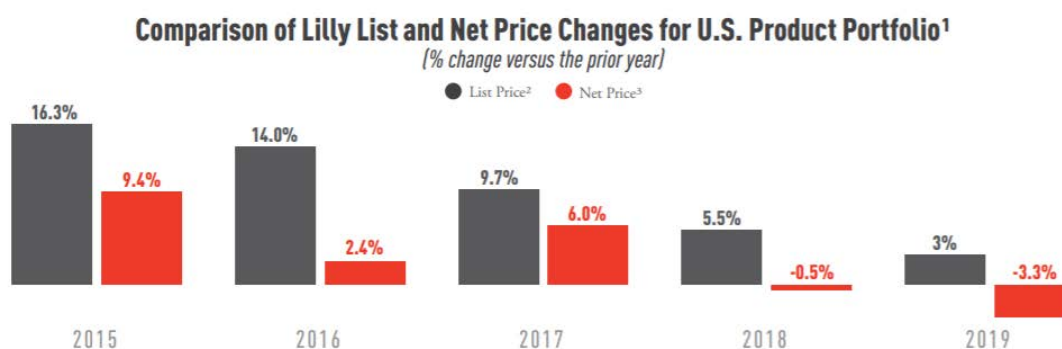
1. Se aplican limitaciones, restricciones y limitaciones a los beneficios de apoyo. No está disponible para pacientes con seguro de gobierno, como Medicaid, Medicare, Medicare Parte D, TRICARE/VA/CHAMPUS, Medicaid, DASH, o en algún Programa de Asistencia Farmacéutica o Programa de Asistencia al Paciente del estado.

2. El paciente puede pedirlo a su farmacia que ofrece las opciones de insulina Lilly a precios más bajos. El paciente debe comunicarse con Lilly Diabetes Solution Center si, por algún motivo, no puede obtener la insulina en su farmacia.

3. Las personas sin seguro médico son elegibles, pero deben comunicarse con Lilly Diabetes Solution Center para participar.

4. Lilly ofrece programas de ahorros diseñados para limitar los gastos por cuenta propia para las insulinas Lilly. Para la gran mayoría de los pacientes con seguro comercial o sin seguro médico, se espera que los gastos por cuenta propia por un mes sean de \$95 o menos en la farmacia minorista. Los pacientes con seguro de Medicare y sin seguro médico deben participar en cualquier programa de beneficios de apoyo del gobierno y se aplican algunas limitaciones.

Appendix C



¹U.S. Product Portfolio includes all human pharmaceutical products marketed in the U.S. for which Lilly is the holder of the new drug application (NDA). This represents approximately 94% of our total U.S. human pharmaceutical revenue.

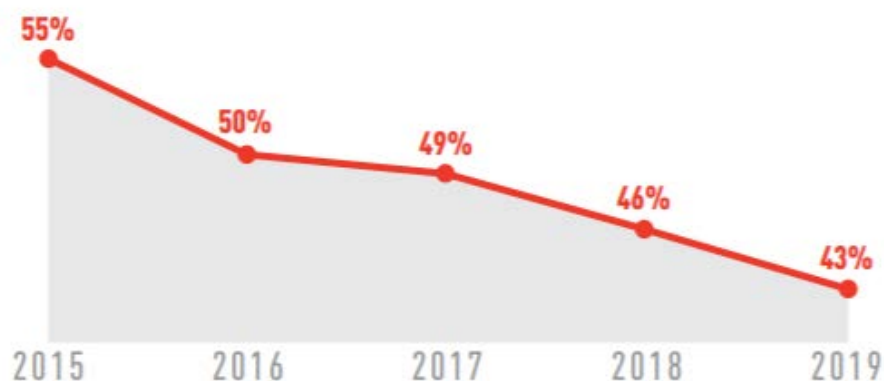
²List Price represents the weighted average year-over-year change in the wholesale acquisition cost (WAC).

³Net Price represents weighted average year-over-year change in net price, which is WAC minus rebates, discounts and channel costs.

Source: 2019 Integrated Summary Report – Eli Lilly and Company – Page 22. Available: <https://www.lilly.com/policies-reports/integrated-summary-report>.

Appendix D

Average Lilly Net Price (As a % of List Price) After Discounts Across the U.S. Product Portfolio⁵



⁵ The average net price percentage is calculated by dividing net sales, the amount Lilly receives after rebates and discounts, by the annual gross sales (total sales at list price, prior to all discounts).

Source: 2019 Integrated Summary Report – Eli Lilly and Company – page 23. Available: <https://www.lilly.com/policies-reports/integrated-summary-report>.